



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF ACCOUNTING

820 SILVER LAKE BOULEVARD
SECOND FLOOR, SUITE 200, (D570C)
DOVER, DELAWARE 19904

FAX: (302) 739-1200

TELEPHONE: (302) 672-5500

MEMORANDUM

#07-15

TO: All Department and School Fiscal Officers

FROM: Trisha L. Neely, Director

DATE: April 10, 2007

SUBJECT: **FISCAL 2007 YEAR-END PROCEDURES**

We recognize there are unusually high demands on fiscal resources this year due to the Financials ERP “fit” sessions occurring the same time as fiscal year end close. Please plan accordingly and take advantage of DFMS availability on weekends during the month of June, if needed.

This memorandum explains the procedures you are required to follow to ensure a timely and successful end of year close. This document contains important deadlines and instructions, and it is important that you read it carefully and completely. **Please note the additional weekend hours.**

DFMS will be available both Saturday and Sunday throughout June; 8 a.m. to 5 p.m. All transactions entered over these weekends will be processed the following Monday.

I. **DOCUMENT CUT-OFF**

A. **Purchase Orders (Form PO) - Over \$2,500**

Regular purchase orders for goods and services must be received by the Division of Accounting by **Wednesday, June 13, 2007**. However, legitimate purchase orders that have the approval of the director, Division of Accounting, and received in the Division of Accounting by **12:00 noon** on **Monday, June 25, 2007**, will be accepted.

Care should be exercised in reviewing and adjusting all purchase orders to ensure the balances carried over are only enough to cover obligations for goods and services to be received in Fiscal 2007. Therefore, review your Weekly Schedule of Encumbrances carefully. Adjust your purchase order balances to the minimum amount needed. Send appropriate EA (Encumbrance Adjustment) or PO (Purchase Order) Modification forms to the Division of Accounting by **noon** on **Friday, June 22, 2007**.

B. **Report of Cash Receipts and Deposits (Form CR)**

Fiscal 2007 revenue for the State of Delaware includes all monies deposited before 3:00 p.m. on Friday, June 29, 2007. All FY 2007 deposits must be accounted for on the Report of Cash

Receipts (Form CR) and must be delivered to the State Treasurer's Office by **12:00 p.m. Tuesday, July 3, 2007, without exception.**

As of Friday, June 8, 2007, please be current with the submission of all CR's for your organization. **All deposits made through Friday, June 22, 2007, must be received in the Treasurer's Office by Wednesday, June 27, 2007.** Also, please make arrangements for the personal delivery of all CR's during the last week in June. **DO NOT put any CR's in the State Mail after Friday, June 15, 2007.**

NOTE: The State Treasurer's Office will be open on the following Saturday to receive Cash Receipts and/or to answer questions:

June 30, 2007, 10:00 a.m. – 2:00 p.m.

Please contact Nancy Clark at 672-6715 or Lisa Embert at 672-6714, if you plan on using the Saturday service. **Do not enter CR's for July deposits until Monday, July 9, 2007.**

NEW: The State Treasurer's Office has an "After Hours Drop Box" for Cash Receipts. It is located to the left of the main entrance next to the "No Smoking" sign.

OMS: OMS organizations must prepare and submit manually prepared CR's for deposit on **Thursday, June 28, 2007 and Friday, June 29, 2007**, in order to meet the Tuesday, July 3, 2007 cut-off.

IMPORTANT: It is the **date monies are deposited in the bank** that determines into which fiscal year the revenue falls. Revenue for Fiscal 2007 will include all deposits made through 3:00 p.m., Friday, June 29, 2007. **It is extremely important to deposit all monies daily.** Deposits made after **Friday, June 29, 2007, 3:00 p.m.** will be recorded as Fiscal 2008 revenue.

C. SuperCard

SuperCard payments through the May billing period are to be processed on or before **Friday, June 20, 2007.** The June SuperCard IV billing will be charged in July.

We encourage state organizations to continue using the SuperCard as a payment mechanism during June. There are two processes that can be used to pay the June charges, which will appear on the PNC statement received in early July:

- 1) establish an encumbrance (organizations **must** ensure that purchase order line balances are sufficient to cover these charges); or,
- 2) use an acceptable method of allowing the June charges to be paid using FY 2008 funds; and, in like manner, the June 2008 expenditures would be paid using FY 2009 funds. This method can be adopted when expenditures, such as maintenance agreements or equipment rental, routinely or consistently overlap fiscal years.

IMPORTANT: To advise us if the coding strip (organization or appropriation) for your automated IV SuperCard billing will change for FY 2008, use the Designation of Appropriation For Payment of Super Card Charges (Attachment B). The form must be received by **Friday, July 13, 2007.** No form is needed for the FY change.

ATTENTION: Do NOT process any June 2007 SuperCard transactions in the month of June. The actual transaction will not be charged until July 2007 which is fiscal year 2008.

D. Fixed Assets (FA)

All fixed asset skeletons and any additional fixed assets must be entered and processed no later than **4:30 p.m. on Friday, June 22, 2007**. **Important** – If you have not recently taken a physical inventory of your fixed assets please do so by June 22, 2007. Use your monthly **“GAAP Report of Fixed Assets” (F25F2705)** when taking your physical inventory. Adjustments for any differences discovered should be recorded in the Fixed Asset System as soon as possible.

E. Payment Vouchers (Form PV) - Over \$2,500

Friday, June 22, 2007, will be the last day for acceptance of payment vouchers over \$2,500 for FY07. However, payments made to allow a **discount** or **emergency purchases** will be processed. All other payments should be kept, entered, and processed on **Monday, July 9, 2007**. The document transaction date **must** be **July 9, 2007**, or later. Mark **“F” (final)** on final payment vouchers, paid in June, to liquidate the purchase order.

F. PO mods, EAs

All purchase order modifications and encumbrance adjustments must be in the Division of Accounting by **noon on Friday, June 22, 2007**.

IV documents for postage, fleet rental, telephone, graphics & printing will be charged through the June billing period. Organizations **must** ensure that purchase order line balances are sufficient to cover these charges.

G. PV's and PO's - \$2,500 or less

All PO's and PV's \$2,500.00 and under must be processed by **4:30 p.m., Wednesday, June 27, 2007**. Please check the Suspense File to ensure all documents have cleared. Process documents on-line using an **“R”** in the **“action”** field. The Division of Accounting will delete any documents remaining on the Suspense File on June 30, 2007. Mark **“F” (final)** on final payment vouchers, paid in June, to liquidate the purchase order.

H. Payroll Kickers

State organizations must submit by **June 1, 2007**, the name and telephone number of a **contact person** to their State Accountant to assist in clearing the suspense table of any payroll kickers that have occurred from the final payroll which will be charged the night of **June 22, 2007**. If a contact person is not identified and there are unresolved payroll kickers, the Division of Accounting will select an appropriation with available funds in the organization and charge payroll kickers accordingly.

II. **ACCOUNT RECONCILIATIONS**

The May close will occur on **Tuesday, June 5, 2007**. To help you keep track of your transactions in June, the Weekly Budgetary Activity and Schedule of Encumbrances will be available through Mobius for your review. It is most important that these reports be used immediately to reconcile

any differences between the reports and your organization's records. Please call your State Accountant immediately, if any differences are detected.

Carefully check your balances and keep track of your purchase orders in June and use your **Weekly Schedule of Encumbrance Report and the Appropriation/Suspense (APSF)** table in DFMS (Informational Memorandum #90-9). For State organizations utilizing Mobius, all DFMS reports will be updated during nightly processing and available on-line the following morning including Saturday, June 23, 2007.

Remember, all General Fund and Special Fund PO's carried over into FY 2008 retain their same coding strip (except for organizations which are being reorganized). For General Funds, the Appropriation Type (not part of the coding strip) will change to designate 03 and 04 appropriations.

No organization will be permitted to accumulate documents. Documents must be processed daily. Documents received after **Wednesday, June 27, 2007** will be considered Fiscal 2008 work. Therefore, you may have to make special arrangements for personal delivery to be sure documents are received in the Division of Accounting by the established deadlines.

All FY 2007 documents remaining in suspense will be deleted.

IMPORTANT – Please use the **Annual Certification of Internal Controls** (Attachment C) to advise the Director of Accounting that your transactions and reports have been reconciled for FY 2006. All organizations **must** have this certification to the Director no later than **Friday, July 20, 2007**.

III. **AUTOMATIC LAPSING OF PURCHASE ORDERS**

All appropriation type 04 purchase order balances for Fiscal 2006 **and** type 30 Fiscal 2006 encumbrances will lapse **without exception** on June 30, 2007. Also, **any** PO that had no activity during FY 2007 will lapse as of the same date.

IV. **TRAVEL ADVANCES**

All travel related expenses should be paid with the SuperCard. If you have travel advances for fiscal year 2007, you **must** recode original object codes to specific object codes by using and EX form no later than **noon on Friday, June 1, 2007**, unless specifically approved by the Director, Division of Accounting. Failure to do so may result in a suspension of travel advances for your organization.

V. **PETTY CASH FUNDS - GENERAL AND SPECIAL FUNDS**

All petty cash accounts can remain open at June 30, 2007. Organizations can choose to close their petty cash accounts at their option.

VI. **CANCELED VENDOR AND PAYROLL CHECKS**

All Fiscal 2007 canceled vendor and payroll checks must be in the Treasurer's Office by **Friday, June 15, 2007**. Any Fiscal 2007 canceled checks after this date must be held and submitted in Fiscal 2008.

VII. **FISCAL 2007/2008 APPR. ACCOUNT CONVERSIONS & SET-UPS**

The automatic conversion and set-up of the FY 2008 appropriation accounts will be as follows:

General Funds:

A. Appropriation types 01 & 02 will be set up pursuant to the Budget and Supplemental appropriations passed for FY 2008.

B. Type 03 appropriations will be designated based on an authorized reversion date later than June 30, 2007.

C. Type 04 will be assigned to all General Fund accounts that have encumbrances outstanding at June 30, 2007, with an end date of June 30, 2007.

D. The FY 2008 type 03 and 04 appropriations will have all prior year amounts reduced to zero, except for the appropriation amount. This means that the appropriation amount shown for type 03 will be the sum of the encumbrances plus the unencumbered balance. The appropriation amount for type 04 will be the amount of the carryover encumbrances.

Special Funds:

A. Appropriation types 20 and 30 will be handled as follows:

1. If the appropriation end date is later than June 30, 2008, the account continues in its June 30, 2007, status. There are no conversions.
2. If the appropriation end date is June 30, 2007, or earlier and:
 - a) there are no encumbrances or unencumbered balances, the appropriation will be deleted.
 - b) there is an outstanding encumbrance and no unencumbered balance, the account will remain in its June 30, 2007, status.
 - c) there is an unencumbered balance, a new FY 2008 appropriation account will be established, and the unencumbered balance will be automatically transferred from the old account to the FY 2008 account. (Note: All encumbrances will remain with the old account. Only the unencumbered balances will be transferred. If the old account does not have encumbrance balances, it will be deleted after transferring the unencumbered balance to the new account.)

B. Appropriation type 40 will remain unchanged.

Exception: The appropriation will be deleted if the end date has passed and there are no encumbrances and no unexpended balance on APPR; and, no encumbrances and the end date has passed on DEFA (Department Federal Aid Table) for the matching SAI (State Application Identifier).

C. Appropriation type 50 will remain unchanged.

Exception: The appropriation will be deleted if the end date has passed and there are no encumbrances or unexpended balance.

Miscellaneous:

A. Organizations involved in budget structure reorganization will automatically have appropriation codes converted to the new organization structure. Additional instructions will be forthcoming if applicable.

B. Organizations should review all appropriation end dates prior to the year-end conversion. Contact your Budget Analyst to request any change to appropriation end dates.

VIII. **FISCAL 2008 START-UP**

Except as noted below, data entry and acceptance of all Fiscal 2008 documents is scheduled to begin Monday, July 9, 2007. Organizations that upload transactions to the DFMS Suspense File must ensure Fiscal 2008 transactions are dated July 1, 2007.

Beginning June 1, 2007, DFMS will accept Fiscal 2008 purchase orders, which meet all of the following requirements:

A. The purchase order **must** be for goods or services required prior to July 9, 2007. That is, the organization requires the purchase order to be issued in order to maintain necessary operations at the very start of the fiscal year, so as to avoid "after-the-fact" purchase orders. (Purchase orders not required to maintain services should be held and submitted July 9, 2007, as stated above.)

B. All such required purchase orders must have stapled to the upper left hand corner of the batch ticket a yellow "Next Fiscal Year" form. (If you require this form, please contact the mail desk at 672-5500.) For Fiscal 2008 documents, code BFY (Budget Fiscal Year) as 2008 for all General Fund Type 01 accounts and date the transaction July 1, 2007. These early entries will produce error screen messages.

C. Purchase orders must be batched and placed in a separate envelope for Fiscal 2008 work. Organizations must use Batch numbering formats and all batches for Fiscal 2008 must commence with the number eight (8).

Note: The IBU's (Internal Budget Units) and MBU's (Micro Budget Units) in the ORGN (Organization) table for Fiscal 2008 will contain only those IBU's and MBU's that have had payment voucher or purchase order activity subsequent to June 30, 2007.

State organizations are required to make monthly premium payments in lieu of the normal annual payment, where applicable. **Any contracts that have been negotiated to receive an annual payment, at the beginning of the fiscal year instead of being spread throughout the year in monthly installments, should be reviewed to determine if this practice should continue** (ref. Budget and Accounting Manual VII, C, 10, b & c). These payments will be flagged by your State Accountant and you will be required to justify the up-front payment.

IX. **AUTHORIZED SIGNATURES - All Organizations**

All State organizations **must** submit new signature cards with an effective date of July 1, 2007. The organization head **must** sign with a **live** signature to authorize all signatures contained on the signature card. Updated signature cards must be forwarded to the Division of Accounting prior to July 9, 2007. **No documents will be processed, unless THESE cards are on file with the division.** Reference **29 Del. C. § 6512 and 6514** and State of Delaware Budget and Accounting Manual: Chapter VII page 1.

TLN:eed
Attachments

ATTACHMENT A

DOCUMENT SUBMISSION DEADLINES

DOCUMENT	DUE DATE
Name & Phone # of Payroll Kicker contact Travel Advances Recoding via EX Form	June 1, 2007 June 1, 2007 12:00 p.m.
POs over \$2500	June 13, 2007
Canceled Vendor and Payroll Checks	June 15, 2007
Cash Receipts	June 15, 2007 – no CRs in State mail after this date. June 27, 2007 – All deposits up to June 22 nd are due. July 3, 2007 12:00 p.m. – All FY 2007 deposits
PVs over \$2,500 May SuperCard IVs FA skeletons PO Mods, EAs	June 22, 2007 June 22, 2007 June 22, 2007 June 22, 2007 12:00 p.m.
PVs \$2,500 or less POs \$2,500 or less	June 27, 2007 June 27, 2007
Updated Signature Cards DFMS ready for data entry	July 9, 2007 July 9, 2007
Designation of Appropriation for Payment of SuperCard Charges	July 13, 2007
Annual Certification of Internal Controls	July 22, 2007

ATTACHMENT B

**STATE OF DELAWARE
DIVISION OF ACCOUNTING**

DESIGNATION OF APPROPRIATION FOR PAYMENT OF SUPERCARD

ACCOUNT CODE

PURCHASE ORDER REFERENCE				FY	FUND	DEPT	ORGANIZATION	APPR	OBJT	SUB- OBJT	PROG	REPT CAT
CODE	DEPT	NUMBER	LINE									
									9350			

**ORGANIZATION COPIES OF IV
DOCUMENTS ARE TO BE SENT TO:**

NAME: _____
ORGANIZATION _____
STATE LOCATION CODE (SLC) _____
TELEPHONE NUMBER: _____

**ORGANIZATION COPIES OF BACKUP TO
IV DOCUMENTS ARE TO BE SENT TO:**

NAME: _____
ORGANIZATION _____
STATE LOCATION CODE (SLC) _____
TELEPHONE NUMBER: _____

**RETURN THIS FORM VIA
E-MAIL OR FAX TO:**

Phyllis.Jurczak@state.de.us
Phyllis Jurczak
Div. of Accounting
FAX: (302) 739-1200

*****THIS FORM IS DUE BY FRIDAY, JULY 20, 2007.*****

ATTACHMENT C

TO: Trisha Neely, Director
Division of Accounting

FROM: _____

DEPT: _____

DIV(S): _____

SUBJECT: **REPORT OF RECONCILIATION - FY 2007**

IMPORTANT***ACTION IS REQUIRED**

I certify that **ALL** transactions that were entered into **DFMS** for **FY 2007** have processed correctly. Therefore, all Budgetary Activity, Unliquidated Encumbrances, Revenue Activity, and Federal Detail Reports for all appropriations have been reviewed and reconciled for the above Department/Division(s).

Signed: _____
Responsible Officer

Date: _____

Check if applicable - ☐ **ALL** discrepancies are attached:

*******IMPORTANT REMINDER*******

THIS FORM IS DUE BY FRIDAY, JULY 20, 2007

PLEASE FAX TO 302-739-1200